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ACTIVITIES OF THE UNITED NATIONS SYSTEM IN THE FIELD OF WATER AND MINERAL RESOURCES, AND INTER-AGENCY COORDINATION FOCUSING ON PROGRESS MADE TOWARDS ACHIEVING SUSTAINABLE DEVELOPMENT

Technical cooperation activities of the United Nations system in mineral resources

Report of the Secretary-General

SUMMARY

The present report, on the activities of the United Nations system in the field of mineral resources, has been prepared in response to Economic and Social Council decision 1994/308. This report summarizes the changes made by the United Nations system in the field of mineral resources in response to Agenda 21 and describes the coordination and integration of activities of United Nations bodies and the specialized agencies and their activities in the area of mineral resources and the environment. The report also provides information on activities in other areas of mineral resources development including, inter alia, privatization, investment promotion, and small-scale and artisanal mining, as well as the addressing of new issues in mineral resources development.

The report also discusses the effects of the evolution in the funding of technical cooperation activities in mineral resources and of the current financial situation of the United Nations Secretariat.

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INTRODUCTION

1. The Economic and Social Council, in its decision 1994/308, and upon the recommendation of the Committee on Natural Resources at its second session, held from 22 February to 4 March 1994 in New York, adopted the provisional agenda and documentation for the third session of the Committee, including the report of the Secretary-General on the technical cooperation activities of the United Nations system in the field of mineral resources, to be submitted to the Committee at its third session. 1/ The Committee had recommended that the report focus on the progress made towards achieving sustainable development, describing the coordination and integration of activities of United Nations bodies and specialized agencies, as well as on the changes made by the United Nations in response to Agenda 21 2/ and on the success of programmes in meeting the goals set.

2. The present report assesses the technical cooperation activities of the United Nations system in the field of mineral resources since the previous report of the Secretary-General (E/C.7/1994/3), entitled "Technical cooperation activities of the United Nations system in the mining sector", and submitted to the Committee on Natural Resources at its second session. The previous report, in describing the activities concerned, paid particular attention to projects aimed at enhancing the capacity of developing countries and countries with economies in transition to develop effective foreign investment policies and negotiate mining agreements and to develop and implement adequate social policies to respond to the ongoing trend towards privatization of the mining sector. That report also discussed the use of mineral resource exploration and development technology in the field of disaster prevention and mitigation.

3. The present report discusses the technical cooperation activities in mineral resources of the United Nations Secretariat. It includes general inputs from the Economic Commission for Latin America (ECLAC) and the Economic Commission for Africa (ECA) and inputs in the area of small-scale mining activities from the United Nations Industrial Development Organization (UNIDO) and the Economic and Social Commission for Asia and the Pacific (ESCAP). With the exception of its activities in small-scale mining discussed in this report, the activities of ESCAP under this agenda item are being presented to the Committee in a separate document (E/C.7/1996/12).

4. This report is structured as follows: section I provides a brief summary of the United Nations bodies that participate in activities in the field of mineral resources and of their respective activities and describes the organizational change in the United Nations Secretariat since the last session of the Committee; section II reports on changes made by the United Nations system in the field of mineral resources in response to Agenda 21 and progress made towards achieving sustainable development; section III describes activities in other areas of mineral resources development; section IV reports on current financial issues in the funding of United Nations activities in mineral resources development; and section V presents current issues in mineral resources development and the direction of the focus of future activities. Finally, the report offers conclusions and recommendations for the direction of future work for consideration by the Committee.

I. THE UNITED NATIONS SYSTEM AND MINERAL RESOURCES DEVELOPMENT

A. United Nations bodies participating in technical cooperation activities in the field of mineral resources

5. The present section provides a brief overview of the several organizations and agencies within the United Nations system that, in accordance with their mandates and areas of specialization, participate in technical cooperation activities in the field of mineral resources. 3/

6. Within the United Nations Secretariat, the Department for Development Support and Management Services is the principal United Nations office responsible for the implementation and coordination, in cooperation with other relevant bodies, of technical cooperation activities in the field of mineral resources development. Also involved in the execution and finance, through grants, of technical cooperation assistance in regional projects are the following regional commissions: ECA, ECLAC, ESCAP and the Economic and Social Commission for Western Asia (ESCWA). The United Nations Conference on Trade and Development (UNCTAD) is mainly concerned with mineral economics and trade in primary commodities, while its Programme on Transnational Corporations assists Governments in their relations with transnational corporations.

7. The United Nations programmes involved in technical cooperation activities in mineral resources, primarily in a financing capacity, are the United Nations Development Programme (UNDP), which finances technical cooperation activities in all aspects of mineral resource development; the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), which was established to provide an additional source of exploration financing for countries not adequately covered by other sources, and the United Nations Environment Programme (UNEP), which finances mineral resource activities related to environmental protection.

8. Among the organizations of the United Nations system, the United Nations Educational, Scientific and Cultural Organization (UNESCO) provides assistance for formal academic training, the establishment of schools of geology, and certain research programmes. UNIDO assists in developing mineral-based industrial processing operations. The International Labour Organization (ILO) participates in technical cooperation relating to work conditions and worker safety in mineral resource extraction, encompassing all levels of mining. The International Atomic Energy Agency (IAEA) is involved in regulating, and giving limited assistance for, the exploration of nuclear raw materials. Finally, the World Bank and its affiliate, the International Finance Corporation, provide grants and soft loans for technical cooperation activities and project financing.

B. Organizational changes in the United Nations Secretariat pertaining to mineral resources

9. Further to the restructuring of the departments of economic and social development of the United Nations Secretariat in 1993, an additional organizational change in regard to mineral resources has taken place. As a result of the decentralization of activities and resources in the fields of

natural resources and energy as discussed in the report of the Secretary-General of this subject (see document A/C.5/48/76 of 31 May 1994), technical and professional posts were decentralized from the Department for Development Support and Management Services to the regional commissions in order to strengthen their ability to provide technical assistance and policy advice in the area of mineral resources at the regional level. The technical and professional posts remaining in the Department for Development Support and Management Services were to constitute the minimal critical mass needed to provide substantive support to overall planning and management activities in mineral resources in line with the mandate of the Department.

10. As a result of this decentralization, the coordination and integration of activities involving the Department for Development Support and Management Services and the regional commissions are to be carried out under a mechanism referred to as "joint programming". While activities have been scheduled for implementation under joint programming, most of them have had to be postponed or cancelled owing to the current financial situation in the United Nations Secretariat, described further under section IV below.

II. CHANGES MADE BY THE UNITED NATIONS SYSTEM IN THE FIELD OF MINERAL RESOURCES IN RESPONSE TO AGENDA 21 AND PROGRESS MADE TOWARDS ACHIEVING SUSTAINABLE DEVELOPMENT

A. Agenda 21 and mineral resources

11. As was noted by the Committee during its second session, Agenda 21 does not specifically address issues such as the sustainable supply of mineral resources nor does it provide a separate chapter on the environmentally sound management of mineral resources development. The subject of mineral resources is addressed in general terms under section II of Agenda 21, Conservation and management of resources for development. Chapter 10 of that section, entitled "Integrated approach to the planning and management of land-resources", discusses land in an integrative view encompassing natural resources, including minerals. It calls for "examining all uses of land in an integrated manner", thereby making it possible "to link social and economic development with environmental protection and enhancement ... thus helping to achieve the objectives of sustainable development" (para. 10.1).

12. Chapter 10 then presents the programme for an integrated approach to the planning and management of land resources. The broad objective of this programme is to "facilitate allocation of land to the uses that provide the greatest sustainable benefits and to promote the transition to a sustainable and integrated management of land resources". Specific objectives are "to review and develop policies to support the best possible use of land and the sustainable management of land resources ... to improve and strengthen planning, management and evaluation systems for land and land resources ... to strengthen institutions and coordinating mechanisms for land and land resources ... to create mechanisms to facilitate the active involvement and participation of all concerned, particularly communities and people at the local level, in decision-making on land use and management".

13. Agenda 21 also addresses general issues related to the production and consumption of mineral resources under its section I (Social and economic dimensions), chapter 4 (Changing consumption patterns). In particular, in discussing unsustainable patterns of production and consumption, chapter 4 states that "special attention should be paid to the demand for natural resources generated by unsustainable consumption and to the efficient use of those resources consistent with the goal of minimizing depletion and reducing pollution". Chapter 4 also calls for, inter alia, the encouraging of greater efficiency in the use of energy and resources, the minimizing of the generation of wastes and a moving towards environmentally sound pricing.

14. Therefore, while Agenda 21 does not provide a separate chapter addressing issues pertaining specifically to mineral resources, such as the operational aspects of mineral resources planning and management, it none the less sets the priorities under which mineral resource management and technical assistance are to be carried out. Further general guidance for these priorities is given by the Capacity 21 programme of Agenda 21. The goals of this programme are to (a) assist countries in incorporating the principles of sustainable development into their development plans and programmes, (b) assist countries in involving all stakeholders in developing planning and environmental management and (c) create a body of experience and expertise in sustainable development and capacity-building that will be of continued material value to, and influence the operation of, developing countries, UNDP, the specialized agencies, non-governmental organizations and other donors.

15. As a result, the United Nations bodies participating in technical cooperation activities in mineral resources have, system-wide, re-examined the way in which these activities are being carried out. They have reoriented their policies so as to place an increased emphasis and priority on environmental protection and on assisting developing countries and countries with economies in transition in developing their mineral resources in an environmentally sound manner using the latest knowledge and technology available, in actively including communities and other stakeholders in mineral resources development and in emphasizing capacity-building and training of those involved.

B. Coordination and integration of activities of United Nations bodies and the specialized agencies

16. In the spirit of Agenda 21, the United Nations system is adopting a cross-sectoral, multidisciplinary approach in coordinating and integrating its activities and in assisting developing countries in formulating and implementing their mineral resources and environmental and sustainable development policies.

17. UNEP and the Department for Development Support and Management Services of the United Nations Secretariat have collaborated in the preparation and publishing of a training manual entitled Environmental Management of Mines Sites 4/ which has been promoted at several mining conferences and meetings. The manual addresses environmental issues that are common to large and small mine sites in all countries, such as, inter alia, water pollution, mine wastes, hazardous residues from processing, tailings dams and site rehabilitation. It also covers the use of management tools such as environmental impact assessments

and environmental auditing. UNEP and the Department for Development Support and Management Services are also engaged in the process of preparing an environmental manual for mining operations.

18. The coordination and integration of United Nations activities have been particularly pronounced in the provision of upstream, multisectoral technical support services. Recent multi-agency missions have involved close collaboration not only between United Nations organizations and the national agencies in the country in question, but also between those organizations and the private sector and non-governmental organizations, thereby ensuring that policy advice is grounded in the knowledge and experience of nationals and increasing the level of national participation in the development process.

19. In Papua New Guinea, a joint United Nations mission entitled "Joint inter-agency policy consultations on sustainable development" was implemented by the Food and Agriculture Organization of the United Nations (FAO), UNIDO, UNESCO, and the Department for Development Support and Management Services of the United Nations Secretariat as team leader, and national consultants. The multidisciplinary mission team consisted of 10 members and included a development economist, a mineral resources expert, an industrial economist, an environmental lawyer, a sustainable agriculture analyst, a fisheries adviser, a natural resources adviser, an institutional adviser, an education adviser and a people's participation adviser.

20. Using the vision of sustainable human development contained in the Five Goals of the National Constitution as the framework for its work, the mission analysed the major environment and development issues facing Papua New Guinea under the three broad headings of enabling government, managing Papua New Guinea's resources and empowering people for effective participation and integral human development. This integrated package of policy advice on development and the environment assisted the Government's National Sustainable Development Strategy Steering Committee to formulate and implement the National Sustainable Development Strategy.

21. In Albania, a joint United Nations mission, implemented by UNIDO, ILO, and the Department for Development Support and Management Services of the United Nations Secretariat as lead agency, assessed the technical cooperation needs of the mineral resources sector. The mission team, which was made up of specialists in legislation and administration, mining and mining exploration, mining and the environment, labour and social issues and metallurgy, outlined specific recommendations to provide an aid programme of practical assistance to the ailing sector for consideration by relevant funding agencies.

22. In Togo, a joint United Nations mission under a project entitled "Struggle against poverty and for sustainable development" was implemented by FAO, UNIDO, the Department for Development Support and Management Services of the United Nations Secretariat, and ILO as lead agency. Significant attention was given to artisanal miners as micro-businessmen and to artisanal mining as a means to combat poverty and promote rural development. The mission prepared a diagnostic study on the current socio-economic and political atmosphere for rural and urban micro-enterprises and on the current support being given to this sector by assistance agencies; a set of recommendations for political, institutional and

legal strategies for assistance and an operational approach to coordinating and harmonizing assistance; and proposals for support programmes for access to credit and for the institutions supporting this sector.

23. A result of this diagnostic study mission was the formulation of a UNDP-financed multi-agency programme of multisectoral assistance to the Government of Togo to be implemented by FAO, UNIDO and the Department for Development Support and Management Services and national consultants under the leadership of UNDP. Included in the project is the promotion of artisanal mining for the benefit of the rural poor and the starting of a data bank on the mineral potential of Togo, including a feasibility study indicating the estimated value of each known ore reserve.

C. Activities in the area of mineral resources and the environment of the Economic Commission for Africa

24. ECA has increased its emphasis on the environmental issues related to mineral industry activities, and all of its studies and assistance to its member States and intergovernmental institutions now include an environmental component. With respect to the processing of wastes and tailings and the elimination of negative ecological consequences of the past activities of mineral enterprises, ECA is planning to undertake a review of the experience of South Africa which is performing well in this sector. Lessons learned from this experience will be put at the disposal of other African member States and mining operators.

25. ECA is also preparing a technical publication entitled "Problems related to sustainable development and utilization of natural resources and energy: strategies for intercountry cooperation in the context of Agenda 21". The study covers, inter alia, the mineral resources sector and was scheduled for completion by December 1995. In addition, a regional seminar on "Sustainable development of natural resources and energy, taking into account environmental concerns with Agenda 21" was programmed; however, owing to the current financial situation, this activity has not received funding.

D. Activities in the area of mineral resources and the environment of the Department for Development Support and Management Services of the United Nations Secretariat

26. An increased emphasis on the environment has also been undertaken in the Department for Development Support and Management Services of the United Nations Secretariat. Since the United Nations Conference on Environment and Development and the formation of the Department for Development Support and Management Services in 1993, the Department for Development Support and Management Services has been involved in the following activities in mining and the environment: analysis of the environmental impact of large- and small-scale mining, including environmental audits of mining operations; training of national staff in measures for environmental protection and awareness, including environmental monitoring; development of mining legislation incorporating mine safety and

environmental protection regulations; promoting of conservation and recycling of mineral resources to minimize discharges and to encourage environmentally sound disposal practices; reclamation of disturbed land and its restoration to safe and productive status; and enhancement of institutional and human resource capacity for environmental management in relation to minerals development.

27. In accordance with Agenda 21, the technical assistance missions of the Department for Development Support and Management Services ensure that development policies relating to minerals strike a balance between growth and development, and the environmental consequences of production. All technical cooperation projects have been re-evaluated to include environmental concerns. Recent technical projects in developing countries in the mining sector are helping specifically with respect to the undertaking of an environmental review of mining practices and policies. Technical assistance missions are assisting developing countries in redesigning their laws governing mineral resources development with key environmental provisions and mechanisms for implementing such laws.

28. Workshops have been organized in developing countries so that developing-country Governments may familiarize themselves with environmental management tools such as environmental impact assessments and environmental audits and the implementation of the Berlin Guidelines (E/C.7/1993/10, annex I) on mining and the environment. The Department is also developing ecological indicators for sustainable development for the Commission on Sustainable Development.

29. The technical missions of the Department for Development Support and Management Services underscore the importance of incorporating well-established environmental management mechanisms such as environmental plans, environmental impact assessment and environmental audits. Recent policies place an emphasis on a decentralized monitoring and implementation system in accordance with the principle of subsidiarity. Human resource capacity-building and emphasis on specialized environmental education are accorded priority.

30. There are several examples of the activities and technical missions in mining and the environment of the Department for Development Support and Management Services of the United Nations Secretariat.

31. At the request of the Government of Guyana, the Department for Development Support and Management Services and the Environmental Protection Agency of the United States of America jointly conducted an environmental audit of a cyanide spill that had occurred as the result of a massive dam failure of the tailings pond at a large gold-mine. The audit consisted of an independent technical assessment of the environmental impact of the spill, a review of the environmental monitoring framework for the gold-mine project and recommendations on future environmental monitoring arrangements.

32. During a second mission requested by the Government of Guyana and funded jointly by UNDP and the Inter-American Development Bank (IDB), the Department for Development Support and Management Services of the United Nations Secretariat reviewed the environmental impact statement that had been prepared for a newly constructed tailings pond. To improve future monitoring arrangements, the Department for Development Support and Management Services

proposed the outline for an environmental management plan to be developed in a joint effort by the Government, the University of Guyana, national environmental consultants and external advisers. UNDP has proposed to fund such an initiative and IDB has shown keen interest in tying in these efforts with an IDB-funded programme for the establishment of a Guyanese environmental protection agency.

33. In Viet Nam, UNCTAD sponsored, at the end of 1995, in cooperation with ESCAP and the Department for Development Support and Management Services, a workshop on environmental policy, regulations and guidelines for mining. 5/ The workshop addressed, inter alia, mining and the environment, environmental impact assessments, environmental management and regulatory systems, environmental regulations for mining, case-studies for Viet Nam and strategies for the implementation of incentive-based environmental regulatory mechanisms. The results of the workshop will assist the Vietnamese Government in developing their approach to formulating regulations in mining and the environment.

34. In Uganda, a study was completed for the Government that assessed the effects of mining on the environment and formulated an Environmental Management System for the mining industry. The study provided the responsible departments of the geologic survey in general, and the mineral production sector in particular, with mechanisms to monitor the activities of miners and ensure their compliance with established environmental guidelines.

35. In Cameroon, technical assistance was provided to a nationally executed project in environment management. The assistance included, inter alia, a diagnosis of the environmental impact of the mining sector, the identification of priority areas of action and the formulation of specific recommendations for inclusion in the national environmental strategy and management plan.

36. In Mozambique, technical support services were provided to the Government in assessing the environmental impacts of mining activities, evaluating the Government's draft environmental law, and assisting the Government in defining policies and guidelines aimed at the protection of the environment from mining ventures and in correcting environmental damages already incurred. The initial assistance was followed by an extensive review of the present environmental situation in the mining sector and the presentation of recommendations that would assist the Government in completing its reform of mining and environment law and policies.

III. ACTIVITIES IN OTHER AREAS OF MINERAL RESOURCES DEVELOPMENT

A. Mining legislation, investment promotion, privatization and other aspects of mineral resources development

1. Economic Commission for Africa

37. Over the past two years, the ECA has been carrying out studies on privatization in the African mining sector and related industries. In that context, it came across two of the issues set forth in the provisional agenda for the third session of the Committee on Natural Resources, as adopted by the

Economic and Social Council, in its decision 1994/308, at its resumed substantive session of 1994 (November). These two issues are (a) the complementarity between the roles and obligations of investors and involved parties of host countries considering the intrinsic value of mineral deposits and accrued benefits and (b) the socio-economic aspects of privatization of State-owned mineral assets.

38. The issues raised under item (a) in the above paragraph have been studied by ECA. In June 1995, a paper entitled "Some aspects of privatization in the African mining sector and related industries" was presented at a conference on mining in 1995 held in Windhoek, Namibia. Another paper was scheduled to be presented at the African Conference on Development and Utilization of Mineral and Energy Resources in Africa held in Accra, Ghana, from 13 to 23 November 1995. The conference was organized by ECA with the support of the Government of Ghana.

39. Through its studies, the ECA secretariat came to the conclusion that beginning in the 1970s and during the 1980s most African countries had been unsatisfied with their state-owned, -controlled and -operated mining companies which had failed to achieve their purposes or had done so at high cost. As a result, the African Governments had found it difficult to avoid privatization.

40. ECA has found that, concerning the socio-economic aspects of privatization of state-owned mineral assets (item (b) above), the implementation of the new policies in several African countries encountered difficulties owing to socio-economic concerns. On the one hand, the private sector is interested in projects with high commercial potential with prospects for good and rapid returns on the investment, whereas the host Government is primarily concerned with employing its mining revenue to develop the economy and use the range of its minerals for the improvement of the living standards of its people.

41. To minimize such conflicts, ECA does not advocate a total disengagement of the State from the mining sector. ECA calls for a cautious and case-by-case approach regarding the sales, total or partial, of shares of state-owned, -controlled and -operated companies. In such transactions, the difference between the social value of the enterprise under government operation and the social value of the same enterprise under private operation, and the "destination" of the income from privatization, should be the most important parameters that would lead to the Government's selling its companies to the private sector.

42. Also, during the last two years, ECA has formulated project documents to be implemented once resources are secured for the establishment of a data bank on African mineral resources to reinforce the existing information in the Pan-African Development Information System (PADIS). The data bank will be connected to the existing information centres within the United Nations system, such as those of UNCTAD, UNIDO, the World Bank and the other regional commissions.

2. Economic Commission for Latin America and the Caribbean

43. ECLAC has published a report on mining legislation in Latin America and the Caribbean entitled "El dominio y soberanía de los recursos mineros y los régimenes actuales de concesiones en los países de América Latina y el Caribe y sus tendencias" (The control of sovereignty of mineral resources and the current concessional regimes in the countries of Latin America and the Caribbean and their trends). ECLAC has also prepared a study entitled "Las reformas mineras y los desafíos de la globalización (Mineral reform and the challenges of globalization), which includes information on the privatization of mining in Peru, and another study entitled "El comercio intrarregional de productos minero-metalúrgicos de los países de la Asociación Latinoamericana de Integración" (Intraregional commerce in mineral and metallurgical products of the countries of the Latin American Integration Association). In addition, ECLAC is presently undertaking a study of the environmental impact of new technologies applied to copper mining and gold-mining.

3. Department for Development Support and Management Services

44. The Department for Development Support and Management Services - in addition to being involved in the technical cooperation and capacity-building activities in mining and the environment described in section II above; the activities in investment promotion, mining legislation and general mineral development presented directly below; and the activities in small-scale and artisanal mining addressed in subsection B of the present section - is pursuing activities that are evolving into more upstream areas of mineral resources planning and management.

45. One such area is the link between mineral resources development and social development in the context of the corporate-community relationship. At a recently held international mining conference, the Department for Development Support and Management Services presented a paper that focused on the corporate-community relationship between international mining companies and the communities in developing countries and economies in transition in which they carry out their operations. Addressed in the paper were such topics as the socio-economic effects of mineral resource development, changes in industry-community relations, sustainable development and society's expectations, and the relationship between mining and human rights, particularly in the case of indigenous peoples.

46. Similarly, social development assistance in the context of artisanal mining, particularly with respect to rural employment creation, poverty eradication, health and education, is also being pursued. In many areas where small-scale mining occurs, particularly "gold-rush" areas, much income can be generated from artisanal mining but without a comparable rise in the quality of life or levels of health and education of the miners and their families. It is also expected that pursuing social development technical assistance initiatives, in combination with technical assistance in mining, will increase the visibility of the problems associated with artisanal mining as well as make assistance in this area more palatable to donors.

47. Other issues being explored in the area of mineral resources in developing countries and economies in transition are capacity-building in the training of nationals to monitor the activities of mining companies, local entrepreneurship and the development of local businesses ancillary to mining, the necessary conditions for the development of domestic mining industries and partnerships between agencies providing technical cooperation assistance in mineral resource development and the private sector.

48. While pursuing these new issues and areas, over the past two years, the Department for Development Support and Management Services has continued to implement technical assistance activities in investment promotion, mining legislation and overall mineral sector development, particularly in Africa and Asia.

49. In Burkina Faso, the first international mining forum, PROMIN'95, was jointly organized by the Government and the Department for Development Support and Management Services as part of a mineral investment promotion technical assistance project financed by UNDP. This forum was subsequent to the enactment in 1993, with the project's assistance, of a new mining code which has already generated 70 exploration permits, excluding small-scale mining titles, producing an estimated $20 million in exploration expenditures by private investors.

50. In Viet Nam, a technical cooperation project was recently completed that assisted the Government in completing a new mining law, together with the implementation of regulations and a model mining agreement, and in establishing an administrative framework for the effective operation of the new legislation and the sustainable development of the mining sector. The result of this project is the provision of national and international mining investment opportunities that will be a major contribution to the economic growth and development of Viet Nam.

51. In Ethiopia, a helicopter-borne electromagnetic, magnetic and radiometric survey has recently been completed. The final data set represents state-of-the-art high resolution, accurately positioned geophysical data specifically tailored to the needs of the mineral exploration industry. The digital data set, which includes a complete set of electromagnetic, magnetic and spectrometric data as well as geologic and planimetric information in digital form, is a valuable tool in the search for new mineral deposits. It will also serve as a model for similar surveys in other prospective areas in the country and in the region.

52. The mineral investment promotion technical assistance project in Ethiopia has also been implemented. This project has promoted the country's mineral resources endowments and trained national professionals in small-scale mining. The promotion documents that were compiled and distributed and the investment promotion meetings that were conducted have now brought information about Ethiopia's mineral endowments into the international arena. As a result, several foreign and national investors have come forward and applied for mineral rights.

53. In the Lao People's Democratic Republic, a project entitled "Mineral sector development" is under way. The overall objective of this project is to

accelerate the development of the country's mineral potential in an environmentally sound manner and with the Government's role being focused on the promotion, regulation and monitoring of private sector investment. The project will strengthen the national capacities required for this development.

54. In India, assistance was given in the organization of an international round-table conference on foreign investment in exploration and mining in New Delhi, India, hosted by the Government of India and the United Nations. At the round-table conference, potential investors were invited to view and become familiarized with the new Indian mining legislation and evaluate India's mineral resource potential. In return, the Government received valuable information from potential mineral investors on their view of the regulations and on what was attractive to them.

55. Assistance for the organization of a round-table conference was also given to the Government of Pakistan. As a result of the conference, the Government accepted the participants' recommendations that it set up a national task force with broad-based membership on the mineral sector. The task force is expected to finalize a draft of mineral concession rules, a blueprint for national geologic data and a mineral fiscal regime. In addition, as a result of the conference, two memoranda of understanding were signed between the Government and a major mining company for further development of the Duddar lead-zinc mineral area.

B. Progress made towards achieving sustainable development in the field of small-scale mining

1. Economic Commission for Latin America and the Caribbean

56. ECLAC has prepared a report on the development of small-scale mining in Latin America and the Caribbean entitled "El desarrollo de la pequeña minería en América Latina y el Caribe" (The development of small-scale mining in Latin America and the Caribbean).

2. Economic Commission for Africa

57. ECA, with member African States, has made efforts to reduce the pressure of the main constraints - structural, technical, financial and environmental - on the development of small-scale mining. The ECA secretariat has recently assisted African member States such as Cameroon, Ethiopia, Gabon, Burkina Faso, Mali and the Niger. The assistance consisted of field missions for the assessment of the existing situation followed by advice on technical, organizational, legal and environmental aspects.

58. A document was finalized on small-scale gold-mining in the Liptako-Gourma region which comprises Burkina Faso, Mali and the Niger. ECA participated in the third seminar on small-/medium-scale mining organized by IDB and provided the seminar with guidelines for legislation related to small-scale mining.

59. The ECA secretariat also attended the Round-table on Artisanal and Small-scale Mining organized by the World Bank Multilateral Investment Guarantee Agency (MIGA) in Washington, D.C., in May 1995. In his contribution, the ECA delegate focused on measures to be taken for a greater implementation of various recommendations related to the improvement of artisanal mining in Africa. Some of the measures concerned support to the participation of mining technicians as operators, including financial support to Governments.

3. Economic and Social Commission for Asia and the Pacific

60. ESCAP has been successful in emphasizing the importance of mineral developments for the economies of the region, as well as the crucial role of mining and downstream mineral industries in achieving sustainable development. It has also emphasized the key role of artisanal mining for the development of new mineral resources, the replenishment of national reserves, and the creation of alternate sources of income and, in general, as a complement to the activities of rural populations. It has adopted the conclusions and recommendations of the seminar on "Guidelines for the development of small-/medium-scale mining" (Harare, 1993) as to what differentiates small industrial mining activities, performed in accordance with a country's legal and fiscal framework, from artisanal activities, conducted by individuals or groups of individuals operating with locally available means and tools in circumstances where the administration of Governments has little or no influence over the activities.

61. In consideration of the impact of these activities on the populations of the rural sector, projects are being proposed for direct assistance at the level of mineral districts. This assistance is to be technical, to ensure a more efficient recovery of available resources and an awareness of environmental impacts; financial, to provide the artisans with the proper tools and financial support; formational, to inform the people involved on the ways to improve the performance of their trade; and sanitary, to reach the people in need of proper care. Countries where there is much small-scale mining activity and to which assistance is being directed include, inter alia, India, the Philippines, Viet Nam, Nepal, Papua New Guinea, Myanmar, Cambodia and the Lao People's Democratic Republic.

62. Most member countries of ESCAP have initiated a modernization of their fiscal and legal environment in an effort to attract investments from the private sector. It will be ESCAP's endeavour to ensure that measures are taken to encourage artisans to improve and increase their production and become part of the driving force represented by the small-scale mining sector. In the future, ESCAP's objectives are to support structural changes and policy reforms leading to a strengthening of industry and institutional capabilities. Increasingly, sustainable development will be addressed from the perspective of local communities as well as from that of national economies.

4. United Nations Industrial Development Organization

63. The avoidance of mercury pollution caused by artisanal mining in development countries has been recognized by UNIDO as the subject of one of its high-impact programmes for 1996-1997. This programme has been selected from among others as being one that illustrates and substantiates the type of services that UNIDO will develop and implement in the future. It is also worth noting that this programme places a particular emphasis on women.

64. The programme, called "Introducing new technologies for abatement of global mercury pollution", has been developed at the request of numerous countries and responds to the global environmental threat caused by mercury pollution. The programme aims at promoting the more efficient processing methods that displace amalgamation as the method of choice of small-scale miners, a great number of whom are women, children and members of ethnic minorities. Although the problem is not new, the immediate need for international cooperation in tackling it was recognized only recently. The environmental aspect of the programme, together with the subject of appropriate technology either produced by the workers themselves or fabricated at low cost by modest facilities in developing countries, implies a clear thematic focus on the priority theme of "Environment and energy".

65. The programme - providing support to ministries, geologic survey services and provincial or district administrative offices and liaising with minority communities - includes elements of normative work, policy advice, institution-building and technical cooperation, the latter aiming at the replacement of outdated technology with environmentally friendly and appropriate technology. As such, the programme manifests a high degree of integration and underlines the distinctive capacity of UNIDO to put together multidivisional teams ready to provide a variety of types of interrelated expertise in mineral processing, manufacturing and environmental protection as well as in terms of the integration of women into industrial development.

5. Department for Development Support and Management Services

66. Since the United Nations interregional seminar on "Guidelines for the development of small-/medium-scale mining" (held in Harare, Zimbabwe, in February 1993, and sponsored by the Department for Development Support and Management Services and hosted by the Government of Zimbabwe) the Department for Development Support and Management Services has continued to pursue technical cooperation activities in small-scale and artisanal mining. In addition, the Department for Development Support and Management Services was represented at the International Round-table on Artisanal and Small-scale Mining held at the World Bank in May 1995 and the representative of the Department for Development Support and Management Services was the only non-World Bank representative to moderate one of the four workshop sessions.

67. Small-scale mining assistance over the past two years has been given to the Central African Republic, Ethiopia, Togo (as described in sect. II.B above) and Mozambique.

68. In the Central African Republic, upstream technical assistance was provided to the Government in relation to its sector of artisanal mining in gold and diamonds. The mineral resource potential of two particular zones, and the mining methods of the artisanal miners were evaluated; and recommendations for increasing the production and revenues from artisanal mining, as well as an evaluation for areas that would have the potential for larger-scale production, were provided.

69. In Ethiopia, a training course in small-scale mining was conducted within a mineral investment promotion project. The course trained a core nucleus of graduates in theoretical and practical small-scale mining techniques, with an emphasis on alluvial gold. The course took trainees through all the development stages of exploration and mining and included training in business and money management. The timing of the course coincided with many new developments in Ethiopian mining legislation and will be of assistance to the authorities within the rapidly emerging mining industry.

70. In Mozambique, a technical assistance project in small-scale mining was recently completed. The project provided direct support to the Government in the development of small-scale mining in the country's northern and central provinces. The further development of the small-scale mining sector created employment for semi-urban and rural communities and fostered the establishment of local industries.

IV. CURRENT FINANCIAL ISSUES IN THE FUNDING OF UNITED NATIONS ACTIVITIES IN MINERAL RESOURCES DEVELOPMENT

A. Evolutions in the funding of technical cooperation activities

71. Just prior to the restructuring of the United Nations Secretariat in the areas of economic and social development in 1993, UNDP, the principal funding agency for United Nations technical cooperation activities in mineral resources, revised the funding priorities and the funding mechanism by which United Nations agencies were supported in their technical cooperation activities. The Governing Council of UNDP, at its thirty-eighth session (1991), adopted comprehensive legislation, in keeping with General Assembly resolution 44/211 on the comprehensive triennial policy review of operational activities for development of the United Nations system, that put forth new initiatives relating to the national execution of technical cooperation activities, and the development of projects according to an integrated and prioritized national programme, and placed renewed emphasis on human development and capacity-building in development activities.

72. In the context of a given technical cooperation project, execution is defined as constituting the overall management of the project, along with the assumption of responsibility and accountability for the production of outputs, the achievement of project objectives and the provision of UNDP resources. Implementation is defined as the procurement and delivery of all project inputs and their conversion into programme or project outputs, with the implementing agents accountable to the executing agent for the quality and timeliness of the project outputs assigned to them for implementation.

73. The emphasis on national execution, that is, execution by national government authorities, is in keeping with the primary objective of the operational activities of the United Nations system, which is to promote the self-reliance of developing countries through multilateral cooperation 6/ by building up, inter alia, their productive capability and their indigenous resources and by increasing the availability of the managerial, technical, administrative and research capabilities required in the development process. 7/

74. At the same time that national execution was given an increased emphasis, two new funding mechanisms were created so as to make use of the technical expertise and experience of the United Nations organizations that had previously been engaged in project execution within the new project context. One such mechanism is technical support services at the programme level, which was established to contribute, inter alia, to the achievement of a sharper technical focus by the five United Nations bodies for which this mechanism is available (the Department for Development Support and Management Services, FAO, ILO, UNESCO and UNIDO) and to the enhancement of agency technical support to developing countries in the upstream stages of programmes and project cycles, including sectoral policy advice to Governments and the formulation of subsectoral and cross-sectoral strategies and programmes. The other mechanism, technical support services at the project level, exists to ensure that the highest technical quality is maintained in UNDP-financed projects that are nationally executed by providing technical support, that is, technical monitoring and back-stopping, during project implementation.

75. Apart from the increased emphasis on national execution, UNDP has, during the past few years, been faced with decreasing contributions from donor countries. This decrease in voluntary contributions has not been fully compensated by bilateral government trust funds which often have more focused objectives. In order to make the most of the decreasing available funds, UNDP has reoriented its priorities so as to utilize the funds in those areas of sustainable development where it considers that it can have the highest impact. These priorities are eradication of poverty, environmental protection, employment creation and the empowerment of women. One result of these changes is that there are significantly fewer funds being used for new technical cooperation initiatives in the field of mineral resources. This phenomenon has also meant a decrease in overhead project revenues, which are used primarily to support technical staff, to the organizations involved in implementing technical cooperation activities in mineral resources.

76. The combined result of the effects described here and in section I above - decentralization of technical and professional posts to the regional commissions, decreases in donor funding of technical cooperation activities, reduced funding for technical cooperation activities in mineral resources with the resultant decreased overhead revenues from technical cooperation activities - has been a drastic reduction in the size and number of technical cooperation activities implemented in mineral resources as well as a drastic reduction in technical capacity in mineral resources in the Department for Development Support and Management Services and other bodies. As a consequence, many requests from the Governments of Member States for technical cooperation assistance in mineral resources are not being met.

B. Advisory services and the effects of the current financial situation

77. Just as the evolutions in the funding of technical cooperation activities in mineral resources have led to reductions in these activities, the current budgetary reductions and the financial situation in the United Nations Secretariat have meant a curtailing of normative activities in the field of mineral resources and have also led to a reduction in support staff. Significantly fewer funds are available to conduct mineral resource workshops and seminars or to fulfil Government requests for ad hoc technical advice. 8/ Activities to be carried out jointly between the Department for Development Support and Management Services and the regional commissions so as to increase cooperation and the integration of activities (referred to as joint programming) have also been curtailed owing to the lack of funds.

V. CONCLUSION

78. Since the United Nations Conference on Environment and Development in 1992 and its adoption of Agenda 21, the United Nations system has increased its emphasis on the formulation and implementation of environmentally sound mineral development policies and adopted a cross-sectoral, multidisciplinary approach in coordinating and integrating technical cooperation activities in mineral resources development, particularly upstream technical support services.

79. While the United Nations system continues to provide technical cooperation assistance and advisory services of a neutral and non-commercial nature in the field of mineral resources at the request of Member States, its ability to do so has been severely diminished owing to evolutions in the funding of technical cooperation activities, and current budgetary reductions and the financial situation in the United Nations Secretariat.

80. At the same time, in addition to areas of mineral resources development such as investment promotion and mining legislation, there are new areas and issues in mineral resources development that are opening up and being pursued with the limited resources available. Issues such as mining and the community, and mineral resources and social development, as well as small-scale mining and the increased attention being drawn to artisanal mining, provide areas in which to refocus on cross-sectoral, multidisciplinary activities and alternative approaches to mineral resources development. The Committee may wish to consider these new approaches and perhaps recommend additional paths to pursue as regards the environmentally sound development of mineral resources for the purposes of implementing activities in the area of mineral resources, given the current budgetary constraints under which United Nations organizations are operating and pursuant to their specific mandates.

Notes

1/ See Official Records of the Economic and Social Council, 1994, Supplement No. 6 and corrigendum (E/1994/26 and Corr.1), chap. I, sect. A, draft decision.

2/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

3/ A more detailed overview is provided in the report of the Secretary-General (E/C.7/1994/3) entitled "Technical cooperation activities of the United Nations system in the mining sector", submitted to the Committee at its second session.

4/ Industry and Environment Technical Report, No. 30 (1994).

5/ The Department for Development Support and Management Services and ESCAP had been programmed to be the original sponsors for the workshop, under a joint programming agreement. However, because of the financial crisis and the cutting of funds in the United Nations Secretariat, ESCAP was forced to withdraw. Fortunately, UNCTAD was able to take its place as a sponsor.

6/ General Assembly resolution 43/199, 2nd preambular paragraph, as given in "Guidelines for 1. Determination of execution and implementation arrangements; 2. Successor arrangements for agency support costs", revision 1 (UNDP, October 1992).

7/ Paragraph e (i) of the annex to General Assembly resolution 3405 (XXX), as given in "Guidelines for 1. Determination of execution and implementation arrangements; 2. Successor arrangements for agency support costs", revision 1 (UNDP, October 1992).

8/ The Committee on Natural Resources is also aware of some of the effects of the current financial difficulties, as reporting is now occurring under strict limitations regarding length. Also, owing to the reductions in substantive staff in the Department for Development Support and Management Services, which provides substantive servicing of the Committee, some reports, such as oral reports of the Secretary-General, could not be completed for presentation to the Committee.